

## Federal Communications Commission Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

The Honorable Tillie K. Fowler U.S. House of Representatives 413 Cannon House Office Building Washington, DC 20515-0904

DOCKET FILE COPY ORIGINAL

Dear Congresswoman Fowler

Thank you for the letter dated April 30, 1996, on behalf of your constituent, Van S. Monroe, regarding the Commission's policies for licensing 800 MHz Specialized Mobile Radio (SMR) systems. Mr. Monroe expresses concern regarding the Commission's decision to redesignate the 800 MHz General Category Pool frequencies. Mr. Monroe also expresses concern about the proposed use of competitive bidding procedures to award future licenses on these frequencies.

On December 15, 1995, the Commission issued a First Report and Order, Eighth Report and Order, and Second Further Notice of Proposed Rule Making (First Report and Order) in PR Docket No. 93-144 which addressed the treatment of the General Category. In the First Report and Order, the Commission determined that the overwhelming majority of General Category channels are used for SMR as opposed to non-SMR service. In fact, our licensing records indicate that there are three times as many SMR licensees using General Category channels as any other type of Part 90 licensee. The Commission therefore concluded that the most efficient use of the General Category channels would be to redesignate them exclusively for SMR use. Thus, the First Report and Order provided that in the future, only SMR service providers will be eligible for new licenses in the General Category pool. Existing non-SMR licensees on General Category channels will continue to operate under their current authorizations, however, and will be fully protected from interference by new SMR licensees. In addition, the Commission's decision specifies that SMR service providers are no longer eligible to apply for licenses on Business or Industrial/Land Transportation channels. As a result, we anticipate that the First Report and Order will make more spectrum available for licensees such as Mr. Monroe, who are currently eligible, and will continue to be eligible, to apply in the Business and Industrial/Land Transportation categories. For your convenience and information, enclosed is a copy of the Press Release concerning the First Report and Order, which includes a summary of the principal decisions and proposals made.

The Commission's decision to auction 800 MHz SMR spectrum is consistent with Section 309(j) of the Communications Act, which sets forth certain criteria for determining when auctions should be used to award spectrum licenses. Pursuant to these criteria, auctions are to be used to award mutually exclusive initial licenses or construction permits for services likely to involve the licensee receiving compensation from subscribers. The statute also requires that the Commission determine that auctioning the spectrum will further the public interest objectives of Section 309(j)(3) by promoting rapid development of service, fostering competition, recovering a portion of the value of the spectrum for the public, and encouraging efficient spectrum use. The Commission has concluded that auctioning of SMR licenses

satisfies these criteria. In particular, we believe that auctions will minimize administrative or judicial delays in licensing, particularly in comparison to other licensing methods such as comparative hearings, lotteries (which are specifically prohibited by the statute if the service is auctionable), or "first-come, first-served" procedures. We note that the statute does not distinguish between new services (such as Personal Communications Services) and existing services in terms of whether initial licenses in a given service are auctionable. As noted above, however, the Commission's decision to use auctions applies only to issuance of initial licenses in the service, and is not intended to affect rights afforded to licensees under existing authorizations.

Thank you for your inquiry.

Sincerely.

David L. Furth

Chief, Commercial Wireless Division Wireless Telecommunications Bureau

Enclosure



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SUBCOMMITTEE ON SURFACE TRANSPORTATION

Congress of the United States House of Representatives Washington, DC 20515-0904

April 30, 1996

Mr. Reed E. Hundt Chairman Federal Communications Commission 1919 M Street NW Washington, DC 20554

Dear Chairman Hundt:

Enclosed is a copy of a letter I recently received from a constituent, Van S. Monroe. Mr. Monroe is concerned about the reallocation of the 800 MHZ General Category Pool. I would appreciate your giving his concerns the same consideration given others in similar circumstances.

I look forward to receiving your response so that I can better address my constituent's concerns. Best regards.

Sincerely,

Tillie K. Fowler Member of Congress

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REPLY TO:

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VSV/inc.

P.O. Box 5761 • Jacksonville, Florida 32247

March 28, 1996

The Honorable Tillie K. Fowler United States House Of Representatives 413 Cannon Building Washington, D. C. 20515-0904

Re: FCC PR Docket No. 93-144, Redesignation of 800 MHZ General Category Pool to a Commercial Only Service and Proposed Implementation of Competitive Bidding Processes

## Dear Tillie:

The referenced proceeding adversely effects our mobile radio system here in Jacksonville. We have previously been issued a frequency on which to operate our business and invested many thousands of dollars and significant time in setting up our current system. If this proceeding results in an "Order" we will be negatively impacted by the resulting change in Licensee who would pre-empt our position.

We request you urge the FCC to reverse its recent <u>re</u>allocation of the 800 MHZ General Category Pool as this reallocation appears to be for the sole purpose of conducting auctions and is neither sound policy management nor fair to existing operators who have made major financial investments in their mobile system.

Sincerely,

Van S. Monroe

c ITA